

## Message Text

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71

ACTION XMB-04

INFO OCT-01 EA-09 ISO-00 EB-07 OMB-01 TRSE-00 COME-00 /022 W

----- 063992

R 100016Z MAR 76

FM AMEMBASSY SEOUL

TO SECSTATE WASHDC 5923

UNCLAS SEOUL 1771

PASS EXIMBANK

E.O. 11652: N/A

TAGS: EFIN, ETRD, KS

SUBJECT: KSEC STATUS OF EXIM FINANCING OF KSEC'S OKPO SHIPYARD  
PROJECT

1. ON MARCH 4, 1976 STEPHEN KIM, N.Y. REPRESENTATIVE OF KOREA SHIPBUILDING AND ENGINEERING CORPORATION (KSEC) BRIEFED EMBOFF ON THE STATUS OF FIRM'S EXIMBANK FUNDED OKPO SHIPYARD PROJECT AND SOUGHT EMBASSY SUPPORT IN SECURING A TWO YEAR EXTENSION OF AVAILABILITY ON \$64.8 MILLION EXIM LOAN/GUARANTY PACKAGE. KIM PROVIDED EMBASSY A COPY OF FEBRUARY 25, 1976 EXIMBANK LETTER TO KSEC OUTLINING REQUIREMENTS FOR ADDITIONAL INFORMATION REQUIRED BY EXIM TO MAKE AVAILABILITY EXTENSION DECISION. HE STATED HE PLANNED TO RETURN TO WASHINGTON WEEK OF MARCH 8-12 WITH REQUESTED MATERIALS FOR PRESENTATION TO EXIMBANK.

2. EMBASSY BELIEVES OKPO PROJECT, INITIATED IN MID 1973, CONTINUES TO HAVE A HIGH POLITICAL PROFILE. THE LOAN, COMMITTED IN JUNE, 1973, WAS HERALDED AS FIRST SOLID U.S. COMMITMENT TO THE DEVELOPMENT OF KOREA'S SHIPBUILDING INDUSTRY WHICH, IN TURN, REMAINS, FOR ALL ITS PROBLEMS, A STANDARD BEARER FOR KOREA'S HEAVY AND CHEMICAL INDUSTRY DEVELOPMENT PLAN. ROK PRESIDENT PARK AND FORMER AMBASSADOR HABIB PARTICIPATED IN THE GROUND BREAKING CEREMONIES IN OCTOBER, 1973. KSEC HAS EXPENDED OVER 20 MILLION DOLLARS IN LAND PURCHASE, SITE PREPARATION FEASIBILITY, ENGINEERING SUPPORT, AND VILLAGE RELOCATION, AND APPROXIMATELY 1.2 MILLION DOLLARS COMMITMENT FEES PAID TO EXIMBANK.

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3. WHILE EMBASSY, OF COURSE DEFERS TO EXIMBANK FOR DETER-

MINATION OF A PROJECT FEASIBILITY IN LIGHT CHANGED INTERNATIONAL  
MARKET CONDITIONS AND FINANCIAL POSITION OF KSEC, I WISH TO  
STRONGLY ENCOURAGE EXIMBANK EXTENSION OF AVAILABILITY OF LOAN  
PACKAGE BE GRANTED. EMBASSY OFFERS ANY SERVICE REQUESTED BY  
EXIMBANK OR OTHER WASHINGTON AGENCIES IN MAKING A FARI DETERMINATION.  
SNEIDER

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** SHIPBUILDING INDUSTRY, SHIPYARDS, PROGRAMS (PROJECTS), LOANS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 10 MAR 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Original Handling Restrictions:** n/a  
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**Review Date:** 01 SEP 2004  
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**Subject:** KSEC STATUS OF EXIM FINANCING OF KSEC'S OKPO SHIPYARD PROJECT  
**TAGS:** EFIN, ETRD, KS, US, XMB, KSCE, KOREA SHIPBUILDING & ENGINEERING  
**To:** STATE  
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